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8 Benefits of Outsourcing

Outsourcing is the business practice of hiring third-party suppliers to provide services, handle operations, or create goods for your company. This business trend began in the '60s and '70s when large corporations, such as [General Electric](#), started outsourcing their manufacturing processes to lower-cost countries. Due to the numerous benefits of outsourcing, the industry has continued to thrive throughout the years, especially in outsourcing destinations such as the [Philippines](#).

Benefits of Outsourcing

Although the outsourcing industry in the Philippines was merely initiated in 1992, it soon became [“the BPO capital of the world.”](#) The country’s outstanding skills in English and its significantly low costs constantly attract companies worldwide. But despite the well-known benefits of outsourcing, some businesses are skeptical about hiring third-party companies

overseas. Some fear that employees from the outsourced firm may not understand their clients' needs. Others are not willing to make an initial high payment for a contract. They believe that the costs of outsourcing outnumber its benefits.

Outsourcing, however, can turn around struggling companies and increase a company's growth exponentially by providing top-notch customer support or workforce at a low cost. Companies that opt not to outsource are missing out on one of the most effective business practices.

Below are just some of the benefits of outsourcing.

1. Outsourcing is cost-efficient

[59% of companies](#) outsource to reduce costs.

Although you may find top-notch services at home, there's a competitive trait you may not find: cost efficiency. Due to differences in the economy, wages in countries such as the Philippines and the Dominican Republic are significantly lower than those in the USA.

Outsourcing also reduces the total cost of a company's overall expenses such as Medicare taxes, Social Security benefits, health insurance, workers' compensation, and other costs associated with US-based employees. Outsourcing additionally exempts you from overhead costs such as recruitment, training and equipment.

2. Outsourcing gives you access to competitive talent

Outsourcing allows you to choose among a wide repertoire of competent professionals.

For instance, [outsourcing to the Dominican Republic](#) gives you access to a multilingual and highly skilled workforce. The languages commonly spoken by agents are Spanish, French, English, Portuguese, and Italian. This language diversity benefits US markets —especially because of its large Hispanic population.

Similarly, the Philippines has a remarkably high standard of education. More than 680,000 Filipinos graduate from college every year, with over 41 million people trained in the workforce. In addition, the government is consistently working to [upskill the country's workforce](#).

3. Outsourcing allows you to focus on your business's core activities

If you choose to outsource, you'll be able to focus on your company's main mission while your outsourced teams work in specific departments within your company. This will lead to an effective workflow as professionals take charge of tasks that go hand in hand with their abilities.

By outsourcing, your company's productivity becomes the main goal as teams work in unison to provide results aligned with your mission.

4. Outsourcing provides scalable solutions

This means that outsourcing can accommodate your specific and tailor-made needs.

For instance, if you need extra customer service reps during peak business seasons, such as Christmas, you can outsource agents for this brief period of time. By outsourcing you avoid investing time and money in acquiring new equipment to handle the excessive incoming calls as well as hiring and training agents to perform outstanding customer service.

5. Outsourcing gives you access to the latest technology

Constant advancements in technology affect every industry. By outsourcing, you have access to the latest software and technology needed for all of your operations. This business solution not only spares you from costly technological updates, but it also exempts you from training employees on said technology.

6. Outsourcing gives you the possibility of having round-the-clock operations

If you outsource to an offshore destination, such as the Philippines, you'll be able to adopt a "follow the sun" workflow. This means that while your "in-house" staff is done for the day your offshore team will be getting things done. You might even wake up to finalized projects the next morning. This strategic way of operating will speed up your delivery cycle which may translate into [higher conversion rates](#).

7. Outsourcing guarantees strong government support

Some companies are skeptical about outsourcing because they fear that their business information will be leaked to their competitors. Because of this, the Philippines established the [Data Privacy Act](#) in 2012. This law protects sensitive information handled by outsourcing companies, such as US health insurance information, personal financial data, and medical records.

The Philippine government also provides regulations and incentives that motivate international companies to outsource to the country. The [Philippine Economic Zone Authority \(PEZA\)](#) promotes the establishment of economic zones in the Philippines for foreign companies. On that same token, the country has laws that provide [tax and non-tax incentives](#) for local and foreign businesses.

8. Outsourcing gives you a competitive advantage

By outsourcing, you can gain a competitive advantage over other companies as you acquire the best talent or services at a reduced cost. Being able to focus on your business's core activities while outsourced teams work in specific departments within your company is another key benefit

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Not sure where to start? [Connect with us](#) and see how Sourcefit can help you grow your business.



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By outsourcing, your company's productivity becomes the main goal as teams work in unison to provide results aligned with your mission.

4. Outsourcing provides scalable solutions

This means that outsourcing can accommodate your specific and tailor-made needs.

Outsourcing can be tailored to suit your specific needs.

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Original: By outsourcing, you can gain a competitive advantage over other companies as you acquire the best talent or services at a reduced cost. Being able to focus on your business's core activities while outsourced teams work in specific departments within your company is another key benefit of outsourcing. Other benefits include having access to the latest technology as well as having specific needs addressed at a low cost. However, to take full advantage of the benefits of outsourcing, you must choose the right service provider that will connect you with the most qualified team for your specific needs.

By outsourcing, you can gain a competitive advantage over other companies as you acquire the best talent at a reduced cost and can get more done for less. Being able to focus on your core business activities while talented teams perform the work is another key benefit of outsourcing. However, to take full advantage of all the benefits of outsourcing, you must choose the right service provider that will connect you with the most qualified staff for your specific needs.

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Are you interested in outsourcing? [Contact us](#) and see how Sourcefit can help you grow your business.



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